



BIG MOUNTAIN SEWER DISTRICT

PO Box 1252
Whitefish, Montana 59937

BIG MOUNTAIN SEWER DISTRICT OCTOBER 15, 2018 BOARD OF DIRECTORS MEETING

1. **Call to Order** - President Dan Graves called the meeting to order at 9:00 a.m. in the Jackson Room of the Base Lodge. Present were board members – Bob Lund, Bob Riso, and David Ruoff (9:08 a.m.) Sandie Carpenter was Absent.
2. **Introductions** – President Graves introduced Leslie Bales, new Administrative Manager for the BMSD.
3. **Public Comment** – Steve Shea, 363 Moose Run Drive, stated he just came to observe.
4. **Review of Minutes** – President Graves asked if the Board members had read the minutes from the June 12, 2018, July 5, 2018, and July 31, 2018 meetings. Riso made motion to approve all three sets of minutes as presented, second by Lund. Motion carried with Carpenter ABSENT.
5. **Financial Review** – President Graves led the review of the Balance Sheet, Income Statement, Cash Flow, City of Whitefish/Usage Fees, and Check Register. Ruoff made motion to accept the financials, second by Riso. The motion carried with Carpenter ABSENT.
6. **Old Business** –
 - a. **CD** – Parkside Credit Union \$200,000. Bales reported Amy Dexter had moved \$200,000 to a CD at Parkside Credit Union per the Board's request.
 - b. **Ohland Hookup Request** – Graves reported Forrest Nelson called Hanchett regarding tying the Ohland property into the lower portion of the sewer line. Discussion followed regarding the need to know the City's capacity, capacity already reserved for future buildout, EDU capacity, and spring runoff. Further discussion continued regarding lift stations, and the Viking pump station with the Board asking Hanchett to answer Nelson, asking him for details of his request and to let Nelson know we will need to get further information from the City of Whitefish before we can respond.
 - c. **FY2018 Financial Review** – Bales reported Amy and she had talked about FY2018 Financial Review, and Amy had priced other options for auditors, and all were about \$2,500. Amy's recommendation is to stay with Tana Doyle due to the change in Administrative Managers. Lund made motion to remain with Tana Doyle and approve the \$2,500; second by Riso. Motion carried with Carpenter ABSENT.
7. **New Business** –
 - a. **City of Whitefish** – set for 9:30 a.m.

City Manager Hammatt and Public Works Director Workman joined the meeting. Graves welcomed them to the meeting and introduced the Board. Workman noted that he has worked with Jason Hanchett on projects but has only been with the City for three years and was not here when

the agreement with the City was written. Graves facilitated discussion of the 2002 Agreement, using the questions outlined in email by Lund (attached).

- a. Amendment #2, Lookout Ridge – Workman reported a subsequent owner tied into Iron Horse, and this does not apply any longer.
- b. Amendment #1, EDU's – Workman explained this is still valid – with the Viking lift station being completed in 2003 which allowed the City to accept unrestricted flow from BMSD for the stated 2000 dwelling units. Discussion followed regarding property owner requests to hook into the gravity feed line. Workman stated there are two options 1) leave the line as it exists, or 2) relocate the flow meter upstream and have the city take the new property as a direct connection with an additional connection and meter below the BMSD flow meter. Discussion of the line capacity, definition of EDU's, and inspecting the line followed. Discussion continued regarding EDU's, gallons, AWWA regulations, etc. including PIF calculations and seasonal usage.
- c. Service Agreement Dec 2002 – 1) Paragraph 4 expired? Workman agreed, with discussion following that in case of emergency (ability to accept limited flow) Hanchett would contact homeowners letting them know to restrict/reduce usage. 2 & 3) Paragraph 5 Hanchett verified BMSD is collecting data with PIF applications, and fees are to be paid prior to digging, the plans, and PIF payments are shared with City. 4) Workman stated as long as this information is shared with DEQ there is no reason to share with City. Hanchett verified DEQ is notified. 5) Flow meter reading – After discussion Hanchett will start monitoring the upper meters, correlate them to the flow meter readings, and review for infiltration. Workman and Hanchett verified the meters are calibrated annually.

City Manager Hammatt asked for BMSD to go through the agreement, highlight what it says currently and what they want it to say for future, and then present it to the City for further review. 6) Discussion of any BMSD liability for the Viking lift station followed with Graves sharing he thought our fee of \$156,000 was a fee with no future responsibility. Hanchett stated he thought the agreement would state if BMSD had continued responsibility. 7) EDU calculations and definition continued, with Workman agreeing to revisit the current AWWA standards and review. Discussion of Paragraph 19 service outside the district was revisited with Workman again stating if new property wanted to hook into the gravity flow main, his recommendation would be to inspect the line, and then move the BMSD meter higher on the line, allowing the new property to connect after the BMSD flow meter – at the new owners cost, not BMSD. 8) Are lists of sewer users kept by both BMSD and City? Workman agreed both need to keep this data, and annual comparison should be adequate.

- d. Waiver of Protest and Consent to Annexation 2002 – City Manager Hammatt stated that yes, he felt the City would consider annexation, but not before 2023. The process would include cost analysis, analyze for impact, levels of service, etc. and feels potential annexation is still five years out with the process and study likely beginning in 2020, with results possibly available by 2022. Hammatt agreed that yes there is probably a pretty good chance for annexation.

City Manager Hammatt concluded by requesting the BMSD Board to go through the amendments line by line, outlining questions, and requested updates. This would then be given to City Manager Hammatt for review by staff and the City Attorney. Hammatt stated this would allow us to move forward to an updated current document.

President Graves and the BMSD Board thanked City Manager Hammatt and PWS Workman for their time and attendance.

- b. **Rate Study Plan** – was not discussed.
- c. **Approval of Administrative Manager Contract** – Lund made motion to approve the contract for Leslie Bales, Administrative Manager/Secretary, second by Ruffo. Motion carried with Carpenter ABSENT.
- d. **Bank Account Signature Change Approvals** – Lund made motion to approve Leslie Bales to sign checks on all BMSD bank accounts, second by Ruffo. Motion carried with Carpenter ABSENT.
- e. **Plant Investment Fees** – the PIF's listed below were approved by consensus
 - i. 105A Wood Run - \$3118.27
 - ii. 105B Wood Run - \$2652.96
 - iii. 100 Ursa Major Drive, Lot 23 - \$3914.30
 - iv. 166 Orion Drive, Lot 20 - \$2652.96
 - v. 137 Polar Star Drive, Lot 23 & 24 – 4577.66
 - vi. 1172 Glades Drive, Lot 7 - \$1989.60
 - vii. 3864 Gelande Street (new addition/cabins) - \$2387.62
 - viii. 314 Northern Lights Drive, Lot 7 - \$5364.54

Dave Ruoff introduced further discussion about infiltration, and spring runoff asking if we could contract someone to walk the lines, etc. Hanchett will begin reviewing and monitoring the upper meters correlation to the flow meter at the bottom of the gravity line for discrepancies and will also get a plan together between now and next spring for line inspections. Graves requested Hanchett get information on smoke testing for BMSD board approval.

Further questions regarding EDU's resulted in Graves recommending meetings with Carver Engineering to further explain EDU calculation, and answer questions from the Board.

BMSD Board agreed the next meeting will be January 8th at 9 a.m.

Upon motion made and seconded, the meeting adjourned at 11:06 a.m.



Dan Graves
President



Leslie Bales
Administrative Manager

I invited him to our Oct 15th meeting to hear us by the two issues.

*Adam makes a very good impression.
Congratulations for the City of Whitefish!*

Reply to Adam

Adam,

*We would like to meet with you at our normal meeting location, which is the conference room of the Kandahar Lodge. Craig met with us there a couple years ago.
Thanks for the offer of a city room.*

We have two basic questions:

- I. Status of the City 2004 agreement with the sewer district.*
- II. Impact on the sewer district of a pending city annex in 2020.*

Most of us were not around when the agreement was crafted. If we can quickly run down the agreement item by item, that will satisfy most of the questions. As an example, of how things might go, I've listed some top-of-the-head questions while quickly passing through the pages.

*a. **Amendment No. 2, 26 March 2007.** This concerned Lookout Ridge work with a portion of the "gravity sewer main".
What is the status of this amendment and the work it discussed?*

*b. **Amendment No. 1, 12 February 2004.** The total number of district dwelling units is restricted to 2,000. Is this number based on EDU, volume of sewage passed to the city system, or some other criteria? What is the status of the East Lake Shore
pumping station? Is that a limiting factor?*

Is there agreement as to what makes a "dwelling unit"?

c. Sewer Service Agreement between the City of Whitefish and the Big Mountain County Sewer District, 23 December 2002.

(1) Paragraph 4 has it expired as mentioned in paragraph 5?

(2) Paragraph 5A, the district has its own classification, not SC2 outside.

(3) Paragraph 5B, PIF documentation collected and maintained by district. Is it necessary?

(4) Paragraph 6, district DEQ document collection and maintenance. Is it necessary?

(5) Paragraph 8, district meter reading compared to city meter reading. Is this necessary?

(6) Paragraph 13-17, Is the Viking meter project active, and still a point of consideration?

(7) Paragraph 18, EDUs are fixed to meter size. Why? 2015 Montana standards say a single family dwelling is to be 1 EDU. This is a key point to district charges to sewer users.

(8) Paragraph 20, City and district each are to maintain lists of all district sewer users. Is this necessary? How is the data kept synced?

And so forth, Adam. Basically, we ought to run down the 25 provisions of the agreement, a working session, if you please. Most questions can be quickly answered by Craig and our maintenance manager, Jason Hanchett.

*There is a 4th document, **Waiver of Protest and Consent to Annexation Agreement, dated 23 December 2002.** What is the status of this agreement? If the city proceeds with annexation, what is the impact on the Big Mountain Sewer District? ...During the process and after annexation?*